

## Message Text

LIMITED OFFICIAL USE

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21

ACTION EA-07

INFO OCT-01 ISO-00 FBO-08 A-01 M-02 L-03 /022 W

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R 080446Z AUG 74

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC 0296

LIMITED OFFICIAL USE VIENTIANE 6153

FOR EA/EX

E.O. 11652: N/A

TAGS: AFSP, LA

SUBJECT: REQUEST FOR ADVISORY OPINION

1. THE IMF RECOMMENDATIONS TO THE HOST GOVERNMENT FOR STRENGTHENING MONETARY AND ECONOMIC SITUATION INCLUDED DEVALUATION OF KIP. SUCH ACTION HAS NOT BEEN TAKEN BECAUSE OF POLITICAL CONSIDERATIONS, BUT IT IS ANTICIPATED THAT ECONOMIC PRESSURES WILL BECOME SO STRONG THAT SUCH ACTION COULD TAKE PLACE IN THE VERY NEAR FUTURE.

2. IN ANTICIPATION OF ULTIMATE DEVALUATION, LOCAL LANDLORDS HAVE INITIATED INQUIRIES AS TO POSSIBILITY OF HAVING THEIR LEASES REVISED TO PROVIDE FOR INCREASE IN KIP RENTAL PAYMENTS TO EQUAL AMOUNT OF DEVALUATION THEREBY RETAINING U.S. DOLLAR EQUIVALENCY AT PRESENT LEVEL. HOST GOVERNMENT REQUIRES THAT ALL LEASE PAYMENTS BE MADE IN KIP. WITHOUT THIS REQUIREMENT, PRACTICALLY ALL OF LEASES WOULD HAVE BEEN ORIGINALLY MADE PAYABLE IN U.S. DOLLARS OR THAI BAHT.

3. EMBASSY WOULD APPRECIATE GUIDANCE AS TO WHETHER SUCH INCREASES IN KIP LEASE COSTS AT THE TIME OF KIP DEVALUATION WOULD BE PROPER. EMBASSY HAS ALSO CONSIDERED REVISION OF LEASES TO STIPULATE LEASE COST IN U.S. DOLLAR AMOUNT, BUT PAYABLE IN KIP EQUIVALENCY. DECISION WILL HAVE TO BE MADE SHORTLY AND EMBASSY WOULD APPRECIATE GUIDANCE ASAP. POSSIBLE THAT LANDLORDS COULD THREATEN LEASE TERMINATION IF KIP INCREASES ARE NOT PROVIDED.

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WHITEHOUSE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** cunninfx  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740216-0645  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** cunninfx  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06-Aug-2002 by shawdg>; APPROVED <24 FEB 2003 by cunninfx>  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** REQUEST FOR ADVISORY OPINION  
**TAGS:** AFSP, LA  
**To:** STATE  
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